1. The figures of the sick sugar mills of the cooperative sector as on 31.03.2006 have been taken from the information provided by the NABARD.

2. The figures of the sick sugar mills of the private sector as on 31.10.2006 have been taken from the information provided by the BIFR.

**Food subsidy**

†53. SHRI LALIT KISHORE CHATURVEDI: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the subsidy on foodgrains has been doubled during the last five years;

(b) the reasons therefor;

(c) whether expenditure on subsidy can be reduced by promoting the procurement through its decentralization and getting loan from NAFED by the State Governments in this regard;

(d) if so, Government's view in this regard;

(e) whether it is a fact that Central Government procure only rice and wheat out of the foodgrains at the support price through FCI;

(f) whether Central Government propose to procure the coarse foodgrains produced locally at the support price or to facilitate the States;

(g) if so, the planning of Government in this regard; and

(h) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) No, Sir. The amount of food subsidy released in 2002-03 was Rs. 24176 crore while it was Rs. 23828 crore in 2006-07.

(b) Does not arise.

(c) and (d) The Government encourages decentralized procurement of foodgrains by State Governments in order to widen the scope of Minimum Support Price (MSP) operations and to ensure remunerative prices to farmers. This scheme also enables supply of foodgrains more suited to local taste in PDS and it results in savings in the transportation costs of FCI. In the last Rabi Marketing Season 2007-08, NAFED was also engaged by the FCI to procure wheat on their behalf.

(e) to (h) As per the existing policy of the Government, procurement of coarse grains for the Central Pool is undertaken by State Governments and their agencies primarily to extend the benefit of MSP to the farmers. After retaining the stocks required for consumption under TPDS, the balance stock of coarse grains are being disposed of by the FCI through open tender. The difference between the economic cost of coarse grains and the amount realized from distribution/sale of the stock is reimbursed to the State Government as subsidy.

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†Original notice of the question was received in Hindi.